Our Salinas Valley family farm has been around since the early 1900s; we began as a dairy farm and sold all of our cows in 1973 after the initiation of the more restrictive upgrades of Grade A and Grade B milk regulations. Since then, we have become a diversified vegetable grower of both organic and conventional produce with combined total acreage being less than 700, of which more than 70% of the ground is not owned by us; instead we have to pay rent for it. I have more than 40 years of growing experience and have now hired my daughter, the fourth generation, to join the family business. We have up to 40 employees at peak season helping run our operation. We could not have this farm without them. The safety of our employees is one of our top priorities, next to the safety of the food we produce for our end consumers. It is exciting to see our next generation of the family join the farm however with this next generation comes seemingly more challenges and regulations ahead. The plague of regulations has been a slow yet persistent effort from government entities to push not just farms but all small businesses into the brink of nonexistence. If you look across the agricultural industry, most family farms are only surviving due to their scalability (usually scaling bigger) or vertical integration. It is very haunting to think where ours and other family farms will be in the next 10+ years. Saying that it may not even look the same as it does today is a thought not far from our reach…

There are very few things that can replace 40+ years of growing experience or a family farm operation that has been in existence for generations. Over this time trade secrets, research and trial has been passed on to better manage and run our farm. Today we have some of the most efficient management plans specific to our ranches, soil type, water and resources so that we can maximize our returns with as little cost as possible. Our margins as farmers become smaller and smaller every year. For every dollar that the consumer spends on food, the grower receives only 7.8 cents (USDA, ERS 2018). On top of this, the State of California has made law that minimum wage will have to reach $15 per hour by 2022 and that our workers will only have a 40-hour work week by 2022 with any excess hours being considered overtime (which is 1.5X the minimum wage, which will be $22.5 per hour); our past work week in agriculture has been 60 hours. Along with workers' wages, payroll and workers compensation costs, our other regulatory costs in agriculture which include education/training for regulatory compliance, air quality requirements, water quality requirements, department of pesticide regulation, food safety (including LGMA Leafy Greens Marketing Agreement), and required audits and assessments has made farmers regulatory costs increase by 795% since 2006 (Cal Poly Regulatory Cost Changes Study, 2017). It used to be around $109 per acre in regulatory costs in 2006, this is now up to $978 per acre in 2017. Our other input costs have only increased about 50% in that same time period. It is time for regulatory costs to stay flat and let "the rest of the world" catch up with regulations. The proposed Ag Order 4.0 matrix does not adhere to keeping regulatory costs stable; instead quite the contrary will occur. Not only is there a direct cost to these regulations in a monetary sense but there is a non-monetary cost in our lost efficiency, then time and management to complying with regulations. We have to hire more people to just comply with regulations and do reporting. If you can't afford more personnel or you just can't pencil out the benefit of complying with the onset of regulations to your business efficiency that is when family farms close up and throw in the towel. We are seeing more of this every day. Even here in the Salinas valley where you may still see much farmland, many of those original small and medium family farms are selling out to larger farm companies or getting out of the business entirely. I fear for the day when we look around to see more developed land and less farms where most of our produce in the stores are coming from different countries like Mexico or other countries because our California farmers just couldn't compete with the costs to do business or comply with regulations anymore.

Yet here we are still, somehow managing by getting the next generation to come help on the farm with the new paperwork and laws we have to comply with. My daughter has taken over managing our irrigated lands program compliance whereas I could instead have had her work for more efficient purposes. It was fairly straight forward. Although I thought some of our ranch tier classifications were not correct, my daughter managed to gather all of the information, it took her more than a month to do the reporting along with her regular job functions to send in the TNA (Total Nitrogen Applied) reports. I can only imagine with a whole new system how long it will take her. Especially if there are more aspects involved, as I have seen such as 4 additional tables (surface water, erosion, pesticides, and riparian) in contrast to the original single TNA report. By law we are already required to document and keep record of our pesticides, the application rate, the acres, the date etc.. The county office holds record of all of our pesticide applications- this isn't just important for environmental monitoring but also for the safety of our workers. We must properly post warning signs around our fields after a pesticide application to ensure the proper REI (re entry interval) to keep our workers safe along with the interval before being able to harvest our product for the safety of our consumers. In order to be LGMA (Leafy Greens Marketing Agreement) compliant, we must report all of our fertilizer applications to auditors. And if we are certified organic growers, we must also be audited for our fertilizer and pesticide use for them too. So we don't need to have anymore audits as the water board is trying to make us do in this proposed 4.0. Not only do we carefully monitor our applications, our employees are trained and retrained every year about pesticide safety and best practices to ensure there is no waste or excess use. We also work very closely on almost all pesticide applications and fertilizers through certified consultants, also known as PCAs and CCAs (Pest Control Advisors and Certified Crop Advisors). These certified professionals are extensively tested, continuously being trained and staying on top of the best practices, efficiencies, and applications for growers. If you are also not aware, pesticides are extremely expensive, we only want to use them when absolutely necessary especially if after implementing all other options form our IPMP (Integrated Pest Management Plan). In our budget, 60% of growing costs are labor, sprays (pesticides) and land rent *alone.* As far as fertilizers go, we also consult with our PCAs and CCAs in regards to application and they are also monitored in regards to application rate, the time and where. Farmers have to be as efficient as possible in regards to nutrient application because as stated before, we are crippled by growing and regulatory costs theses days- any where we can save money we will. Our nutrient plan is timed with irrigation, rain, crop needs (depending on the crop) through soil tests, considering nitrogen already in our water as well as time to harvest. All of these same principles for both fertilizers and pesticides also apply to our organic program however we have even more limited options.

There are only 25 federally registered organic pesticides that are "derived from natural substances such as plants or bacteria, go through a strict regulatory approval process to ensure they are not harmful to the environment and human health, and are only allowed to be used when other pest control methods aren't successful" (Non GMO Report, 2017). We also have an IPMP for organics; a common control we use is actual biological controls for pest management like ladybugs. Ladybugs actually eat aphids and other smaller insects. Management practices, such as this, is one example showing why organic growers should have less reporting because our pest control is 100% organic and the pesticides are of completely organic and natural compounds; thus, they are much less harmful to human health, water and our soils because they are not synthetic (laboratory made). Every year we are certified and audited through rigorous federal compliance in regards to our pesticide and fertilizer use. For fertilizers, organic growers can only use certified non-synthetic fertilizers (usually in the form of chicken meal, pellets or fish emulsion). These are 100% organic and from natural sources; organic

fertilizers are generally insoluble in water. This insolubility makes them break down much slower and release nutrients more slowly allowing plants to more effectively uptake nutrients and in essence has little to no leaching with the proper management (Hadad and Anderson, Floriculture Research Report 19-04). The biological makeup of these fertilizers more closely match to the organic compounds found naturally in the soil. Thus, the chemical composition and bonds are stronger which makes them hold onto water better and breaks down much slower. Due to this slower breakdown, this means it's much less likely for nitrogen to seep into groundwater. Also, many organic growers use cover crops in the winter or in rotation which helps in taking up any extra nitrogen or nutrients in the soil, sequesters more carbon from the atmosphere and is then used as natural fertilizer and organic material for our next crop.

With this new matrix proposal I am concerned about quite a few things. With as much growing experience as I do, I am concerned at being *told* or limited to what I can or can't apply by another entity who has no familiarity with my soils, water, crops or weather. Farming is very much a biological based system. We truly are the stewards of our land and I have to keep the next generation in mind. There were many practices before our rigorous food safety standards that I implemented to enhance our sustainability efforts- farmers are trying to have our best interests in our land, our community and our products. From a simple perspective, this new 5 table matrix is much too complicated and over the top. Smaller and mid-sized growers do not have the staffing capacity for this. We are already struggling from the points I mentioned before. Also, trying to figure out nitrogen removed would be almost impossible. There is no standard unit from shippers or customers- some want it by weight, others by cartons, some by boxes and bags. We have no standard unit of measurement, also what about consideration to unforeseen events that leave us to keep produce in the field like a food safety outbreak, food safety buffers in the field, a natural disaster or walked by acres due to the market? This is not solely the grower's fault, nor should it be our full responsibility to be penalized for this. There are no coefficients set in place for N removed and until such extensive research is done we should not have to report this. Also establishing a numeric limit to fertilizer applied will be a lengthy task. This will take many years of research to determine a single coefficient for every single crop and growing region along with the multiple parameters such as testing a variety of soils, water, seeds and climates. We need more resources to invest in research for developing Central Coast specific coefficients for your proposed N applied exceedance and N removed. Please consider the continuation of only requiring N applied until coefficients have been developed through scientific research. Without factual, evidence-based research, any application or data is not representative nor accurate, and that just does not seem to do us much good then to solving a problem.

I understand for complying with Non-point source pollution for the Irrigated lands program why TNA (Total Nitrogen Applied) reporting was relevant; however, you do not provide substantial reasons as to why at the same time we have to include erosion control and riparian habitat. There are many discrepancies and issues you will run into in trying to regulate land owners and how they choose to manage their private land and habitat. In regards to erosion control, no one wants their top soil to be lost, it has been an epidemic for many years. Most growers probably already have management plans in place for controlling soil loss such as levees and erosion strips. We need to stay focused on the topic at hand- non point source pollution. Controlling erosion and riparian zones will not solve water quality issues because you have no proof that all of those eroded soils are contributing to the degradation of water quality. You are trying to accuse some of us guilty for a crime without trial, which is unconstitutional. Be careful of making growers spread themselves too thin. In doing many tasks, no

tasks will be done efficiently or effectively. Multitasking is actually very inefficient; this matrix is no different.

As much good intention is in this proposed matrix, I see it highly infeasible and impractical. I cannot hire enough staff, ensure the safety of my workers, nor purchase the technology to follow every single rule on it. If my regulatory costs have already gone up 765% in 11 years, Ag Order 4.0 is only going to increase that, and truly have all these costs really helped solve our problem? I also fear for the small growers who do not even speak our language nor do they have an education past high school to comply with this matrix or be able to accurately calculate these reports. Prioritization of growers who are outliers that need the most help should be the first phase in. All growers are not equal, and we should not be treated as such. Many of us are truly doing all we can in these trying times. I can guarantee you, there are few people in the entire world who know or understand these soils, water and our crops like our farmers do. Many of us have been farming here for generations. Nothing can replace this experience or knowledge, so it seems inappropriate for an outside entity to try.

I hope these comments are taken into consideration as the board develops their final recommendation. I encourage the consideration of the alternatives to the proposed staff matrix, such as that which will be brought forward by GSA (Grower Shipper Association), MCFB (Monterey County Farm Bureau), and CCOF (California Certified Organic Farmers).

Thank you for the consideration.

Wayne Gularte

Owner-Operator

Rincon Farms, Inc.